



## THE EFFECTS OF IN-GROUPS AND OUT-GROUPS ON ETHICAL CONSUMING

Simo Halme

International Business

Bachelor's Thesis

Supervisor: Paurav Shukla

Date of approval: 9 April 2020

Aalto University

School of Business

Bachelor's Program in International Business

Mikkeli Campus

## THE EFFECTS OF IN-GROUPS AND OUT-GROUPS ON ETHICAL CONSUMING

Simo Halme

International Business

Bachelor's Thesis

Supervisor: Paurav Shukla

Date of approval: 9 April 2020

Aalto University

School of Business

Bachelor's Program in International Business

Mikkeli Campus

**Author:** Simo Halme

**Title of thesis:** The effects of in-groups and out-groups on ethical consuming

**Date:** 9 April 2020

**Degree:** Bachelor of Science in Economics and Business Administration

**Supervisor:** Paurav Shukla

### Objectives

The main objective of this study was to explore the interpersonal influences on ethical consumption in the terms of in-groups, out-groups and consumer identity. The purpose was to see if there is a significant correlation between the endorsement of a product by a reference group and the purchase decision of said product, alongside of a view on the brand.

### Summary

To conduct the study a survey was created in order to find links between the different aspects of the study: ethical consumer identity, interpersonal susceptibility, influence of in-groups and out-groups and ethical consumption. The survey first measured the ethical consumer identity and interpersonal susceptibility. Then the respondents received either "in-group" or "out-group" -condition, where they were asked to name a group they either feel or don't feel connection to. After this they were presented with a scenario where a company known for unethical behavior has been endorsed by members of said group. The respondents' reaction and relation to the company and their products was then asked and compared to their previous answers and whether they had the in-group or out-group -condition.

### Conclusions

As previous literature suggests, all consumption is tightly tied to the social signaling our consumption decisions relay. This has been seen in ethical consumption choices as well and the results of this study are consistent with this understanding. The study found no link between ethical consumer identity and purchase intention, although it did find a link between ethical identity and having a favorable perception of the brand. Similarly if the group endorsing the product was an in-group, the responses had a significantly higher and more favorable view of the brand, but this doesn't lead to higher purchase intention.

**Key words:** consumer behaviour, consumer identity, consumption, ethical consumption, interpersonal susceptibility, in-groups, out-groups

**Language:** English

**Grade:**

COVER PAGE  
TITLE PAGE  
ABSTRACT  
TABLE OF CONTENTS

1. INTRODUCTION & RESEARCH APPROACH
  - 1.1. Research problem and research questions
  - 1.2. Relevance for International Business
2. LITERATURE REVIEW
  - 2.1. Consumer identity
  - 2.2. Ethical consumption
  - 2.3. Consumer susceptibility
  - 2.4. In-groups and out-groups in consumption
  - 2.5. Conclusion
3. METHODOLOGY
  - 3.1. Quantitative research
  - 3.2. Analysis on the data
4. FINDINGS & DISCUSSION
  - 4.1. Peer influence on ethical consumption habits
  - 4.2. Relevance of consumer identity and interpersonal susceptibility
5. CONCLUSION
  - 5.1. Theoretical implications
  - 5.2. Suggestion for future research

REFERENCES

APPENDICES

# 1. INTRODUCTION

Consumers make constantly decisions about their purchase habits that are influenced by not only their objective appraisal of the products' value, but also many non-rational factors. The need to express oneself as an individual plays an enormous role in the consumption decisions of an individual. "Possessions can be used to satisfy psychological needs, such as actively creating one's self-concept", said Escalas and Bettman (2005). Levy (1959) proposed that people buy products not only for their properties, but also because of what they represent. Building their personal identity comes from the symbolism encoded on these choices and brands. This encoding and the identity it relays can only come if said identity can be associated with the brand. This only becomes possible if some sort of identity and brand are linked through a group of people. "--- the particular identity that people infer from another's choice depends on the set of people who share the taste", as explained by Berger and Heath (2007). As we signal identity to people around us, the response we get greatly affect whether we continue to do so or not. The people around us have an effect on the identity we wish to relay.

This project of building and displaying identity via purchase decisions is unique and personal and can manifest itself in a variety of ways. One such way is ethical consumption. Valor and Carrero (2014) studied responsible consumption and concluded that "[responsible consumption] is a key instrument in the construction and the expression of the consumer's identity". Ethical consumption is therefore directly tied into consumer identity. This study focuses on this connection of ethical consumption identity and the interpersonal influences that shape it.

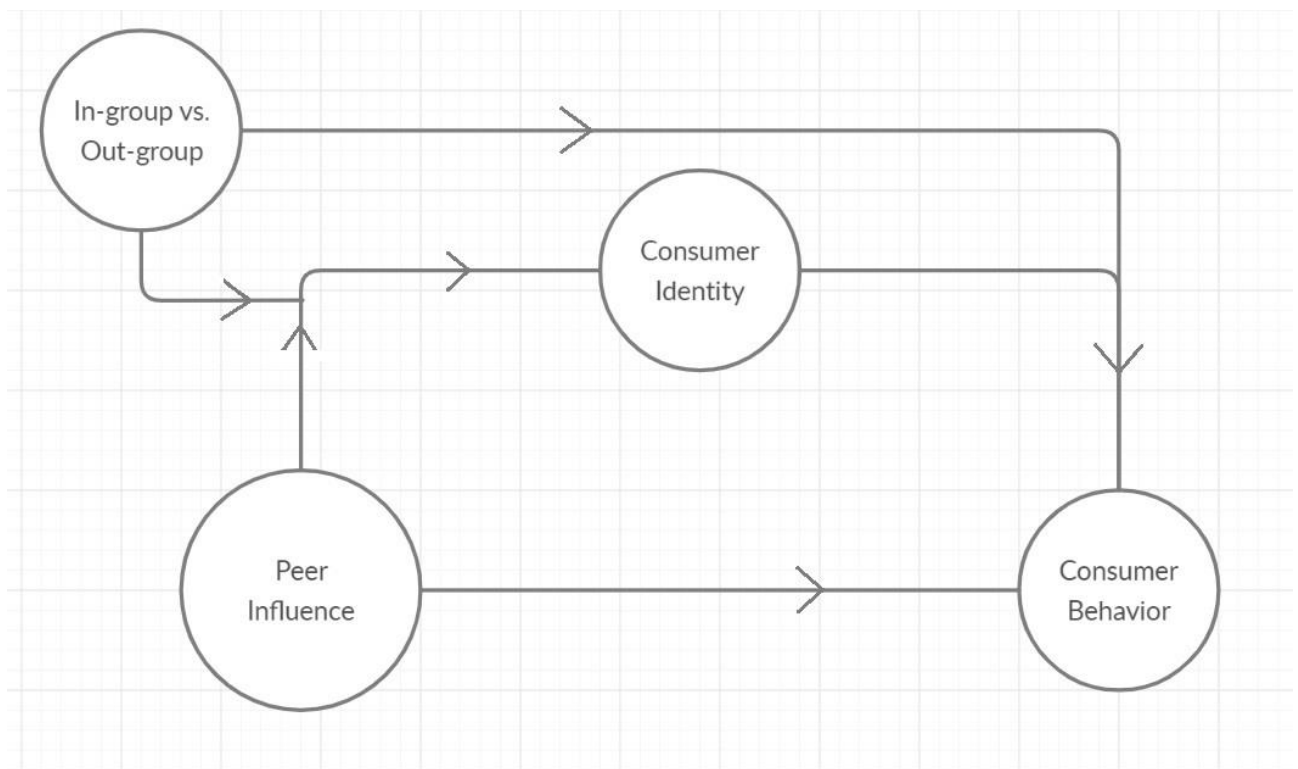
## 1.1 Research problems and research questions

The purpose of this study is to take a look at the connections between peer influence, ethical consumer identity and ethical consumer behaviour. This is to be done from the perspective of in-group influence vs. out-group influence. The objective is to see if consumers behave normally under the circumstances of ethical consumption, or if the

difference in influence of in-group vs. out-group is diminished, or even greater than normally.

The research questions are following:

1. How easily are people's ethical consumer habits affected by their in-groups and out-groups?
2. Are people who define themselves as ethical consumers more or less easily affected than those who do not define themselves as such?
3. Are the effects of in-groups greater or lesser than those of out-groups?



The effects of peer influence on both consumer identity and consumer behaviour are affected by whether the influence comes from an in-group or an out-group source.

## 1.2 Relevance for international business

By understanding the importance of social factors to ethical consuming, brands and companies can more effectively plan their marketing strategies. The purpose of this study is to expand on our understanding of ethical consuming as an identity project.

This thesis can potentially show that people are far more likely to choose a product over the competitor if a) they have a peer who they perceive as ethical consumers and b) they can imagine that said peer would choose this product. The practical implications would be for example efficient utilization of social media influencers and celebrity endorsements.

## 2. LITERATURE REVIEW

First the theories on consumer identity and group-signalling are discussed. This theme ties directly to the theme of groups so in-groups and out-groups are presented as well. All of that is then examined with the themes of ethical consumption. After that the effects of peer influence and consumer susceptibility are examined. Finally, the peer influence is discussed from the perspective of in-groups and out-groups and their effects on consumption.

### 2.1 Consumer identity

The identity signalled by one's consumption habits is often referred to as consumer identity. This self-identity signalled by consumption habits will tie consumers to specific groups and signal some sort of conformity with the group. Papaoikonomou, Cascon-Pereira and Ryan (2014) studied ethical consumption as a consumer identity and noted that consumer identity is built as a reflection of one's in-group and out-group.

By signalling connection with a group one accepts that others may see them as part of these groups. This way the consumer is linked to not only these groups but all the ways in which the members of said group are seen by others. Chang (2015) states that purchase decisions can be used as a way to strengthen the relationship with a group. People both inside and outside any group can form a view on both the group as a whole and individuals within that group. The perception through which we see these groups and individuals depends greatly on whether we identify as members of that group or not. This is sometimes called a division between an in-group and an out-group.

An in-group is any group in which we feel like belonging: a family, ethnicity, sociodemographic group etc. Outgroup is the opposite: a group in which we don't feel like belonging in. Berger (2016) demonstrates the differences of our attitudes by a simple example: "our attitudes towards a welfare policy totally shift if we're told it is



supported by Democrats versus Republicans (even though the policy is the same in both cases)." We both conform to behaviour of those around us, while simultaneously avoiding conforming to other people. This is all based on whether we want to belong to the group which said activity represents or not. Berger also emphasizes that this is something which all humans do and are almost entirely incapable of avoiding.

This phenomenon is thoroughly studied from different aspects, so there is very little to add. However, in terms of ethical consumption there is still something to be done. Although people tend to view products favoured by their in-group positively, and products favoured by their out-group negatively, it could be that ethical consumption might make a notable exception to this rule, as this type of consumption has a notable goal outside of the purchase decision itself.

## 2.2 Ethical consumption

Ethical consumption is the act of weighing in ethical factors, such as sustainability and environmental issues when making purchase decisions. This type of consumption is, of course, no exception to these rules of group defining and identity signalling. Davies and Grutche (2016) conducted a study to examine the underlying reasons consumers have for making seemingly ethical consumption choices. The result was that people often make these purchase decisions based on a very superficial view of the factors in play.

One of the key findings of their study was that the most prominent underlying factors for people to purchase fair trade coffee was habit. The second most common was health and social guilt came only as third. More than 90% of these participants were also unable to explain what fair trade means. This study shows how people make consumption choices based on irrational reasons, even when exercising consumption often viewed as ethical. This paper will expand on this idea and see how interpersonal influences afflict consumers' decision-making and expression of oneself when talking about ethical consumption.

## 2.3 Consumer susceptibility

The importance of peer influence on consumers can be approached from the concept of susceptibility. According to Bearden et al (1989) consumer susceptibility can be divided into two dimensions: “normative interpersonal influences” and “informational interpersonal influences”. Normative influences have been defined as “the tendency to conform to the expectations of others” by Burnkrant and Cousineau (1975). The same source defined informational influence as “the tendency to accept information from others as evidence of reality”.

Chang (2015) discusses this phenomenon from the perspective of green consumption, noting that green consumption is both social and psychological activity performed with the goal of being sustainable. The author also suggests that based on this green consumption could be more susceptible to interpersonal influences. It could be expected that there is a great overlap in people who prioritize green consumption and those who prefer ethical consumption.

Based on these assumptions, it would stand reason to assume that the relationship between brands associated with in-group and brand self-image could be stronger when discussing ethical consumption. The same study noted that green viral communication has positive effect on green purchase decisions, strengthening these assumptions.

## 2.4 In-groups and out-groups in consumption

Marketers have for a long time realized that both out-groups and in-groups can have a substantial effect on consumption behaviour. In their study Escalas and Bettman (2005) showed that there is a clear positive relationship between self-brand connection and the brand’s consistency with in-group. The same study also noted that the same correlation is negative when considered the brand’s consistency with out-group. It should be noted, however, that the correlation was almost twice as effective on the in-group case than the out-group one. This means that while people might have an

extremely strong bias towards brands consistent with their in-group, the bias against brands consistent with their out-group is not nearly as significant.

The effect is still visible on the both sides of this phenomenon, even if in varying degrees. This means that not only are people more likely to prefer products which they associate with their in-group, but they also prefer the competitors of products which they associate with their out-group. This can be seen in as simple situations as men avoiding products, which had the word 'ladies' in them, despite the word having practically no effect on the quality of the product, as explained by White and Dahl (2007).

The study by Escalas and Bettman (2005) was done by asking people to rate their self-connection with a specific brand. This works to establish some ground assumptions for this paper, but its aims are very different. Instead of asking about self-connection, providing a scenario about consumption decision might provide very different outcomes. The survey was done based on certain groups, which were defined by clear stereotypes.

White and Dahl (2007) studied the association of certain brands with high school groups. Certain brands were clearly associated with specific groups of people, such as "jocks" associating with Nike and "rich girls" with Lululemon. As these associations are clearly understood by consumers themselves the brands act as a clear tool of signalling conformity or disconformity with any group. The study noted that brands carry different meanings to different people.

The results supported what Escalas and Bettman (2005) had discovered and showed a clear correlation with strong self-brand connection correlating positively with in-group brands. Negative self-connection was reported to brands, which were associated with out-group. Brands associated with in-group were also evaluated as more positive, as opposed to brands associated with out-group. All the studies on the subject are done based on these pre-defined stereotypes and groups, which provide unsurprising results.

In terms of ethical consumption, the correlation differs a little bit. A study done by Choi and Winterich (2013) suggests that although the same relationship is still present, out-group brand attitudes are improved when the moral identity of a consumer is considered. Moral identity is one's perception of themselves as a virtuous character. This theme ties into the virtue related to being a responsible and ethical consumer, which often go hand in hand. This means that although the positive correlation of in-group influence will most likely reflect the findings of both Escalas & Bettman (2005) and White & Dahl (2007), the negative correlation related to out-group is likely to be less drastic. Based on this, when researching ethical consumption, the negative effects of an out-group endorsement seem to be less prevalent.

## 2.5 Conclusion

This paper aims to improve the understanding of the difference between the impact of the peer influences of in-groups and out-groups, especially in the field of ethical consumption. Many studies have been done to research the difference in brand connection and group identification and it has been shown that there is a clear correlation between these aspects.

Escalas and Bettman (2005) clearly showed that at least in the case of some in-group-out-group comparisons there is a clear difference in bias. However, this phenomenon hasn't been properly examined in relation to ethical consumption. Choi and Winterich (2013) studied the effects of moral identity to in-group and out-group connections, which only goes on to show that when virtues are brought into consumer consideration, there might be a slight effect on the outcome.

The question this paper aims to answer is whether the outcomes such as those of Escalas & Bettman (2005), and White & Dahl (2007) are true in the field of ethical consumption. The most likely scenarios are either that there is no significant difference to previous findings in this area, or that the negative bias towards products favoured by an out-group are diminished when the consumption decision involves ethical questions.

The underlying theory of all consumption is that consumers are irrational and make their decisions based on feelings rather than facts. Moreover, consumption is often a way to signal something by wanting to be associated with groups or traits related to the product of your choice. Berger and Heath (2007) concluded that this is truer on certain kinds of products (such as clothes, cars and music) than others (like dish soaps and toothpastes). Ethical consumption can happen across this spectrum, as all products can be produced both ethically and non-ethically. However, since the purpose is to study the differences between the effects of in-groups and out-groups, it is more beneficial to use a product which highlights these differences as an example.

Davies and Greutche (2016) used their study to show how people are extremely irrational as consumers even when discussing ethical consumption, but their study focused on fair trade coffee. These conclusions are very useful as a supporting argument if we assume that there is no difference between ethical consumption and “regular” consumption. It did not, however, make any comparisons between these two categories so we cannot draw any conclusions from it.

The study will be done by examining consumer susceptibility to interpersonal influence in relation to the moral identity scale proposed by Bearden, Haws and Netemeyer (2010).

### 3. METHODOLOGY

The study was conducted by creating and publishing a survey, which aimed to find relationships between consumer behaviour and the influences of in-groups and out-groups. First, I will explain the theoretical approach to the study. After that there will be an analysis on the questionnaire and the data.

The epistemological philosophical approach was positivism. The purpose of the study was to explore the underlying relationships between different well-known factors of consumption. These factors are consumer self-identity, ethical consumption and peer influence. Approach to the study was deductive logic. The design was cross-sectional.

#### 3.1 Quantitative research

The survey created for this research used different pre-created elements in order to utilize existing knowledge in the field. The survey measured two aspects, using pre-existing scales: “ethical consumer identity” (Question 4) and “interpersonal susceptibility” (Question 5).

The questionnaire was randomized in such a way that everyone taking it got either Question 6 or Question 7 by random. Question 6 asked the respondent to name a group they feel connection to (an in-group), while Question 7 asked the opposite (out-group). This group was then referred to as “Group A”.

After this they were presented with an example of a fictional company, known to participate in unethical practices. In the example people from Group A had bought products from said company and spoken highly of it. After the examples the participants were asked to rate three statements, measuring their willingness to buy from the company, their views of the brand and their views on the quality of the products. These were presented in Question 12. By this method we can compare the respondents’ relationship to the brand between those with the in-group condition and

those with the out-group condition to draw conclusions about the effect of this to ethical consumption.

The entire survey can be found in Appendix 1.

### 3.2 Analysis on the data

The survey gathered a total of 130 responses. 21 of these had to be disqualified, as they were made by people below the age of 18. In the end 109 responses were analysed for the purpose of this study. Out of those 109 responses 20 did not fulfil the survey entirely, leaving 89 complete responses. The goal of 100 responses was therefore not fulfilled, but the sample is large enough to draw preliminary conclusions. The mean age of all participants was 24,08 years and the median age 22,00 years. 59 respondents were males (54,1%), 47 females (43,1%), 2 reported "other" and one chose "prefer not to say".

The survey measured two aspects: "ethical consumer identity" and "interpersonal susceptibility". The reliability test on the "ethical consumer identity" part had four questions and yielded Cronbach's Alpha of 0,689, which falls short of the desired 0,7, but is still quite close. The reliability test on "interpersonal susceptibility" had 12 questions and gave Cronbach's Alpha of 0,873, which is enough.

Out of these 89 valid responses 43 (48,3%) had the in-group condition and 46 (51,7%) had the out-group condition, giving us a good split between the conditions.

## 4. FINDINGS & DISCUSSION

### 4.1 Peer influence on ethical consumption habits

The correlation between whether a person had the in-group or out-group condition and their responses to the three final statements was measured. There were no significant differences between people with the in-group condition and people with the out-group condition on willingness to buy or on views on the quality of the products. However, there was a significant difference on the second statement about having a favourable view on the brand and overall preference over the competitors. People with the in-group condition had a significantly more favourable view of the brand than people with the out-group condition.

People with in-group reference seem to be creating a favourable brand perception, as opposed to people with out-group reference. However, it doesn't lead to higher purchase intention, nor does it lead to higher perception on quality.

Independent Samples Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Based on the example given, please rate how these statements apply to you: - I could consider buying a product from Raphael Piezzo.	Equal variances assumed	4,102	,047	-2,066	70	,043	-,806	,390	-1,583	-,028
	Equal variances not assumed			-2,066	67,568	,043	-,806	,390	-1,584	-,027
Based on the example given, please rate how these statements apply to you: - I have a favorable view of the brand and will prefer it over competitors.	Equal variances assumed	12,799	,001	-2,777	70	,007	-1,083	,390	-1,861	-,305
	Equal variances not assumed			-2,777	63,423	,007	-1,083	,390	-1,863	-,304
Based on the example given, please rate how these statements apply to you: - I trust Raphael Piezzo's products to have a good quality.	Equal variances assumed	1,295	,259	-1,669	70	,099	-,639	,383	-1,402	,124
	Equal variances not assumed			-1,669	68,577	,100	-,639	,383	-1,402	,125

### 4.2 Relevance of consumer identity and interpersonal susceptibility

Next the correlation between ethical consumer identity and responses to the three final statements was examined. This was done by performing a linear regression test, where the dependent variable was one statement of the Question 12 at a time, and the



independent variable was the mean ethic score based on Question 4. The results showed once again no correlation in relation to purchase intention and quality perception, but it did show a correlation in relation to brand view and preference over competitors. This strongly implies that ethical tendencies might affect views, but not actions of most consumers.

#### ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2,904	1	2,904	1,014	,317 <sup>b</sup>
	Residual	200,415	70	2,863		
	Total	203,319	71			

a. Dependent Variable: Based on the example given, please rate how these statements apply to you. - I could consider buying a product from Raphael Piezzo.

b. Predictors: (Constant), Mean of ethical perceptions)

#### Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5,945	,574		10,354	,000
	Mean of ethical perceptions)	-,210	,209	-,120	-1,007	,317

a. Dependent Variable: Based on the example given, please rate how these statements apply to you. - I could consider buying a product from Raphael Piezzo.

No significant relation between mean ethical perception score and purchase intention was found.

#### ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	14,085	1	14,085	4,960	,029 <sup>b</sup>
	Residual	198,790	70	2,840		
	Total	212,875	71			

a. Dependent Variable: Based on the example given, please rate how these statements apply to you. - I have a favorable view of the brand and will prefer it over competitors.

b. Predictors: (Constant), Mean of ethical perceptions)

### Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6,486	,572		11,342	,000
	Mean of ethical perceptions)	-,463	,208	-,257	-2,227	,029

a. Dependent Variable: Based on the example given, please rate how these statements apply to you. - I have a favorable view of the brand and will prefer it over competitors.

A significant connection was found here. The less of an ethical consumer the person perceived themselves, the more likely they were to agree with this statement.

### ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4,043	1	4,043	1,507	,224 <sup>b</sup>
	Residual	187,832	70	2,683		
	Total	191,875	71			

a. Dependent Variable: Based on the example given, please rate how these statements apply to you. - I trust Raphael Piezzo's products to have a good quality.

b. Predictors: (Constant), Mean of ethical perceptions)

### Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4,432	,556		7,972	,000
	Mean of ethical perceptions)	-,248	,202	-,145	-1,228	,224

a. Dependent Variable: Based on the example given, please rate how these statements apply to you. - I trust Raphael Piezzo's products to have a good quality.

Once again there was no correlation found.

The same correlations were then studied with the mean score of interpersonal susceptibility in place of ethical consumer identity. There was a significant positive correlation between interpersonal susceptibility and purchase intention, as one might

assume. However, there was no significant correlation between interpersonal susceptibility and perception of the brand or the quality of the product.

#### ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	18,306	1	18,306	6,926	,010 <sup>b</sup>
	Residual	185,013	70	2,643		
	Total	203,319	71			

a. Dependent Variable: Based on the example given, please rate how these statements apply to you. - I could consider buying a product from Raphael Piezzo.

b. Predictors: (Constant), Mean of interpersonal susceptibility

#### Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3,203	,858		3,735	,000
	Mean of interpersonal susceptibility	,485	,184	,300	2,632	,010

a. Dependent Variable: Based on the example given, please rate how these statements apply to you. - I could consider buying a product from Raphael Piezzo.

People with higher interpersonal susceptibility score were more likely to consider buying a product from Raphael Piezzo, with a Sig. of 0,01.

#### ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7,064	1	7,064	2,402	,126 <sup>b</sup>
	Residual	205,811	70	2,940		
	Total	212,875	71			

a. Dependent Variable: Based on the example given, please rate how these statements apply to you. - I have a favorable view of the brand and will prefer it over competitors.

b. Predictors: (Constant), Mean of interpersonal susceptibility

### Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3,925	,904		4,340	,000
	Mean of interpersonal susceptibility	,301	,194	,182	1,550	,126

a. Dependent Variable: Based on the example given, please rate how these statements apply to you. - I have a favorable view of the brand and will prefer it over competitors.

No significant correlation between susceptibility and preferable brand view.

### ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	,478	1	,478	,175	,677 <sup>b</sup>
	Residual	191,397	70	2,734		
	Total	191,875	71			

a. Dependent Variable: Based on the example given, please rate how these statements apply to you. - I trust Raphael Piezzo's products to have a good quality.

b. Predictors: (Constant), Mean of interpersonal susceptibility

### Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3,436	,872		3,939	,000
	Mean of interpersonal susceptibility	,078	,187	,050	,418	,677

a. Dependent Variable: Based on the example given, please rate how these statements apply to you. - I trust Raphael Piezzo's products to have a good quality.

No significant correlation was found between interpersonal susceptibility and perception of quality.

## 5. CONCLUSION

### 5.1 Theoretical implications

The findings seem to be indicating that in the end interpersonal relations and peer influence are playing a relatively small part in purchase decisions. One of the key hypotheses of this study was that there would be a difference between whether people had the in-group or the out-group condition. The data did not support this hypothesis, implying that at least when it comes to a potentially ethical purchase decision, the assumedly positive influence of an in-group and assumedly negative influence of an out-group are not relevant enough to rely on, nor is there a significant difference between the impact of these groups. This might be because the product in the example (leather-made handbags) was not one to use to signal ethical behaviour. It should be mentioned that only a couple of the named in-groups (“hippies”, “vegetarians”) could be considered to be ethical in their nature or to be assumed to value ethicality highly. Interestingly similar groups were also named once as out-groups (“hippies”, “vegans”).

The consideration of purchase score is, as one might suspect, higher for people who had higher mean of interpersonal susceptibility. In the example given, the participants had to consider a company that was well known for unethical practices. One of the hypotheses was that there would have been a correlation between purchase consideration and ethical consumer identity score. Such correlation was, however, not to be found from this data. The only correlation relating to ethical consumer identity was that it seemed to impact the view on the brand and company. This view did not, however reflect to consideration of purchase. Neither was there any variable that affected the view on perceived quality.

The only information available in the example regarding the quality of the product was that multiple people from Group A had purchased a product from them and “spoken highly of the brand”. The assumption was that this hypothetical word-of-mouth would have left some impression on the perceived quality, but such correlation was not to be found.

## 5.2 Suggestions for future research

One potential reason why this study did not yield the expected results could be that the example given is not one that can be used to signal belonging to any ethical group. Were the example given a positively ethical it might have a stronger correlation with ethical identity, as the previous literature leads us to believe that ethical purchase decisions are largely influenced by the desired signalling of ethicality.

## References

Bearden, W., Netemeyer, R. and Teel, J. (1989). Measurement of Consumer Susceptibility to Interpersonal Influence. *Journal of Consumer Research*, 15(4), p.473.

Bearden, W., Haws, K. and Netemeyer, R. (2010). *Handbook of marketing scales*. Los Angeles: Sage.

Berger, J. (2016). *Invisible Influence: The Hidden Forces that Shape Behavior*.

Berger, J. and Heath, C. (2007). Where Consumers Diverge from Others: Identity Signaling and Product Domains. *Journal of Consumer Research*, 34(2), pp.121-134.

Burnkrant, R. and Cousineau, A. (1975). Informational and Normative Social Influence in Buyer Behavior. *Journal of Consumer Research*, 2(3), p.206.

Chang, S. (2015). The Influence of Green Viral Communications on Green Purchase Intentions: The Mediating Role of Consumers' Susceptibility to Interpersonal Influences. *Sustainability*, 7(5), pp.4829-4849.

Choi, W. and Winterich, K. (2013). Can Brands Move in from the Outside? How Moral Identity Enhances Out-Group Brand Attitudes. *Journal of Marketing*, 77(2), pp.96-111.

Davies, I. and Gutsche, S. (2016). Consumer motivations for mainstream "ethical" consumption. *European Journal of Marketing*, 50(7/8), pp.1326-1347.

Escalas, J. and Bettman, J. (2005). Self-Construal, Reference Groups, and Brand Meaning. *Journal of Consumer Research*, 32(3), pp.378-389.

Levy, S. (1959). The Status Seekers. *Journal of Marketing*, 24(2), pp.121-122.

Papaoikonomou, E., Cascon-Pereira, R. and Ryan, G. (2014). Constructing and communicating an ethical consumer identity: A Social Identity Approach. *Journal of Consumer Culture*, 16(1), pp.209-231.

Valor, C. and Carrero, I. (2014). Viewing Responsible Consumption as a Personal Project. *Psychology & Marketing*, 31(12), pp.1110-1121.

White, K. and Dahl, D. (2007). Are All Out-Groups Created Equal? Consumer Identity and Dissociative Influence. *Journal of Consumer Research*, 34(4), pp.525-536.



# Appendices

## Appendix 1: survey

Q1

Hello!

I am a business student of Aalto University and this survey is a part of my Bachelor's thesis. This study is completely anonymous, and all information will be handled confidentially. If you have any questions regarding this survey, feel free to contact me at [simo.halme@aalto.fi](mailto:simo.halme@aalto.fi) Thank you in advance!

---

Q2 What is your age?

---

Q3 What is your gender?

- ☐ Male (1)
  - ☐ Female (2)
  - ☐ Other (3)
  - ☐ Prefer not to say (4)
-

Q4 How do the following statements apply to you?

[illegible]

Q5 How do the following statements apply to you?

[illegible]

I often identify with other people by purchasing the same products and brands they purchase.

○ ○ ○ ○ ○ ○ ○

If I have little experience with a product, I often ask my friends about the product.

○ ○ ○ ○ ○ ○ ○

When buying products, I generally purchase those brands that I think others will approve of.

○ ○ ○ ○ ○ ○ ○

I like to know what brands and products make good impressions on others.

○ ○ ○ ○ ○ ○ ○

I frequently gather information from friends or family about a product before I buy.

○ ○ ○ ○ ○ ○ ○

If other people can see me using a product, I often purchase the brand

○ ○ ○ ○ ○ ○ ○

they expect me to buy.

I achieve a sense of belonging by purchasing the same products and brands that others purchase.



---

Q6 In the box below, I would like you to type in the name of a group that you belong to and feel a part of. You should feel you are this type of person and that you fit in with these people. This group should be a tightly knit group, consisting of individuals who are very similar to one another. For the rest of the study, this group will be called (Group A)

---

Q7 In the box below, I would like you to type in the name of a group that you do not belong to and do not feel a part of. You should feel you are not this type of person and that you do not fit in with these people. This group should be a tightly knit group, consisting of individuals who are very similar to one another. For the rest of the study, this group will be called (Group A)

---

Q11 Read the following scenario.

Raphael Piezzo, a famous luxury leather goods and designer handbags brand claims to source exotic leather from authorised, regulated farms and breeders. It claims that every skin used in their production process is obtained legally and ethically sources. The company specialising in and is well-known for its use of leather involving exotic and endangered animals including rhinos and endangered species of lizards and reptiles.

Multiple people from (Group A) have recently bought a product from Raphael Piezzo and speak highly of the brand.

---

Q12 Based on the example given, please rate how these statements apply to you.

	Strongly agree (1)	Agree (2)	Somewhat agree (3)	Neither agree nor disagree (4)	Somewhat disagree (5)	Disagree (6)	Strongly disagree (7)
I could consider buying a product from Raphael Piezzo.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I have a favorable view of the brand and will prefer it over competitors.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I trust Raphael Piezzo's products to have a good quality.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

-----